



House of Representatives

General Assembly

File No. 206

January Session, 2007

Substitute House Bill No. 7308

House of Representatives, March 29, 2007

The Committee on Energy and Technology reported through REP. FONTANA, S. of the 87th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING RESOURCE RECOVERY OUTPUT
PURCHASE REQUIREMENTS AND INDIRECT COSTS AND
REMEDIES FOR PUBLIC SERVICE COMPANIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-243e of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) [Any] Except as provided in subsection (b) of this section, any
4 electric company, as defined in section 16-1, [purchasing] that, prior to
5 the effective date of this section, purchased electricity generated by a
6 resources recovery facility, as defined in section 22a-260, owned by, or
7 operated by or for the benefit of, a municipality or municipalities,
8 [shall enter into] pursuant to a contract with the owner of such facility
9 requiring the electric company to purchase all of the electricity
10 generated at such facility from waste [which] that originated in the
11 franchise area of the electric company, for a period beginning on the
12 date that the facility [begins] began generating electricity and having a

13 duration of not less than twenty years, at the same rate that the electric
14 company charges the municipality or municipalities for electricity,
15 shall pay the rate set forth in the contract or, for contracts entered into
16 during calendar year 1999, the rate established by the department, for
17 the remaining period of the contract. No electric company or electric
18 distribution company shall be required to enter into such a contract on
19 or after the effective date of this section.

20 (b) [Not later than April 1, 2000, the department shall determine the
21 rate paid for electricity generated at the facility, from waste that
22 originated within the electric company's franchise area and that was
23 purchased under each contract entered into pursuant to subsection (a)
24 of this section, during calendar year 1999.] Not later than October 1,
25 2000, and annually thereafter, the department shall calculate the
26 difference between the amount paid by the successor electric
27 distribution company pursuant to each such contract in effect during
28 the preceding fiscal year for electricity generated at the facility from
29 waste that originated within such franchise area and the amount that
30 would have been paid had the company been obligated to pay the rate
31 in effect during calendar year 1999, as determined by the department.
32 The difference, if positive, shall be recovered through the systems
33 benefits charge established under section 16-245l and remitted to the
34 regional resource recovery authority acting on behalf of member
35 municipalities.

36 Sec. 2. Subdivision (3) of subsection (a) of section 16-262f of the
37 general statutes is repealed and the following is substituted in lieu
38 thereof (*Effective July 1, 2007*):

39 (3) The receiver appointed by the court shall collect all rents or
40 payments for use and occupancy or common expenses forthcoming
41 from or paid on behalf of the occupants or residents of the building or
42 facility in question in place of the owner, agent, lessor, [or] manager or
43 administrator.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>from passage</i>	16-243e
Sec. 2	<i>July 1, 2007</i>	16-262f(a)(3)

ET*Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Connecticut Resources Recovery Authority (CRRRA) quasi-public	SF - None	None	None
Various State Agencies	Various - See Below	See Below	See Below

Note: SF=Special Fund (Non-appropriated)

Municipal Impact:

Municipalities	Effect	FY 08 \$	FY 09 \$
Various Municipalities	See Below	See Below	See Below

Explanation

This bill eliminates certain requirements for electric companies and stipulates the responsible party when a utility bill goes unpaid, for which there is no fiscal impact. There could be an effect on the state and municipalities as ratepayers, the extent of which cannot be determined at this time.

At the current time, it appears that no resources recovery facility has a contract that would be impacted by the elimination of contract requirements in the bill, and there is no impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 7308*****AN ACT CONCERNING RESOURCE RECOVERY OUTPUT
PURCHASE REQUIREMENTS AND INDIRECT COSTS AND
REMEDIES FOR PUBLIC SERVICE COMPANIES.*****SUMMARY:**

This bill eliminates a requirement that electric companies enter into long-term contracts with resources recovery facilities in which the company pays the facility owner the company's retail rate for the power the facility produces. The bill requires the companies to continue paying the rate set in existing contracts for the remainder of the contract, except for contracts entered into in 1999, for which the company must pay the rate set by the Department of Public Utility Control.

By law, a utility can petition the courts for the appointment of a receiver of rents when the owner of a residential building who is directly billed for the utility service fails to pay his bill. If appointed, the receiver receives the rents or other payments made by the occupants, pays the current utility bill and certain other expenses, and then remits the remainder to the owner. The bill additionally allows the receiver to receive rents or payments made (1) on behalf of the building's occupants, (2) by people who are occupants rather than residents. It also expands the provisions to include occupants or residents of facilities.

EFFECTIVE DATE: Upon passage for the resources recovery provisions; July 1, 2007 for the receivership provisions.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 20 Nay 1 (03/13/2007)